

EXHIBIT J

GRID MANAGEMENT CHARGE

The Grid Management Charge (GMC) is a formula rate designed to recover certain RTO West administrative and operating costs as specified below. The GMC will be a dollar-per-megawatt-hour (\$/mWh) charge levied on all schedules submitted to RTO West.

Calculation of GMC

The GMC will be calculated as follows and will be revised periodically as needed, but no less than once every twelve (12) months. (*Note: References to account numbers below are to those used for FERC Form 1.*)

Grid Management Charge = Revenue Requirement / (Loads + Exports)

Where:

Revenue Requirement = Operating Expenses + Debt Service - Interest Earnings - Reserve Transfer

Loads = the total annual energy delivered under Transmission Use Service + total annual energy delivered under Non-Converted Transmission Service

Exports = the total annual energy scheduled out of RTO West under Transmission Use Service or Non-Converted Transmission Service

Where:

Operating Expenses = O&M Expenses plus certain Taxes Other Than Income Taxes (Account 408.1); provided that any taxes subject to allocation under section 25.20 of the Transmission Operating Agreements between RTO West and Initial Participating Transmission Owners shall not be included in Operating Expenses for calculation of the GMC.

O&M Expenses = Transmission O&M Expenses (Accounts 560-574) plus Customer Accounting Expenses (Accounts 901-905) plus Customer Service and Informational Expenses (Accounts 906-910) plus Sales Expenses (Accounts 911-917) plus Administrative & General Expenses (Accounts 920-935); provided that costs properly allocated to the management of congestion by RTO West shall not be included in O&M Expenses for calculation of the GMC.

Debt Service = for any fiscal year, scheduled principal and interest payments, sinking fund payments related to balloon maturates, repayment of commercial

paper notes, net payments required pursuant to a payment obligation or payments due on any RTO West notes. This amount includes the current year accrued principal and interest payments); provided that costs properly allocated to the management of congestion by RTO West shall not be included in Debt Service for calculation of the GMC.

Interest Earnings = Interest earnings on Operating and Capital Reserve balances (Account 419). Interest on bond or note proceeds specifically designated for capital projects or capitalized interest is excluded; provided that interest costs properly allocated to the management of congestion by RTO West shall not be included in Interest Earnings for calculation of the GMC.

Reserve Transfer = the projected reserve balance for year-end of the prior fiscal year less the Reserve Requirement as adopted by the RTO West Board of Directors and FERC; provided that the cost of reserves properly allocated to the management of congestion by RTO West shall not be included in the Reserve Transfer for calculation of the GMC. If such amount is negative, the amount may be divided by (*e.g., two- (2)*) so that the reserve is replenished within a (*e.g., two- (2-)*) year period. (Account 128 subaccounts)

Reserve Requirement = (*e.g., fifteen percent (15%)*) of Annual Operating Expenses; provided that the cost of reserves properly allocated to the management of congestion by RTO West shall not be included in the Reserve Transfer for calculation of the GMC.

Extraordinary expenses or losses that, consistent with generally accepted accounting practices, can be booked to accounts other than the accounts listed above shall not be included in such accounts for calculation of the GMC. No costs other than costs specified in this Exhibit shall be included in the calculation of the GMC.